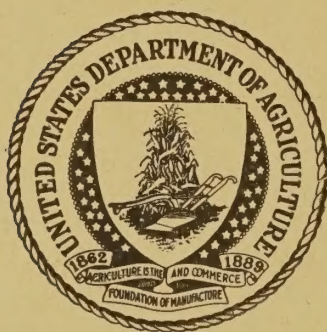


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REA  
MANAGEMENT CONFERENCE - MAY 24 TO 28, 1948  
TUESDAY AFTERNOON, MAY 25, 1948  
OUTLINE OF TALK BY K. L. CULVER

SPECIAL PROBLEMS IN REQUISITIONING FUNDS  
or Steps Required in Expediting Advances

I. STEPS PRELIMINARY TO REQUEST FOR FUNDS.

A. Understanding General Regulations and Instructions.

1. FI-120, "How to Obtain and Account for Funds Allotted by REA for Construction."
2. A-1561, "Classification of Budget Items-Construction Funds."

B. Execution and Approval of Loan Documents and Establishment of Budget.

1. Indenture, loan contract, and mortgage note.
2. Applications and Loans Division master budget and Finance Division master budget.

C. Items Requiring Prior Approval to Make Funds Available Under Specific Budget Purposes.

1. Adequate insurance coverage.
2. "Normal inventory" fund for material and labor and overhead on work orders.
3. Construction contracts; engineering contracts.
4. Maximum legal fees.
5. FI-53R, "Certificate of Construction Progress." (To be submitted with requisition).
6. Material and Equipment contracts.
7. Group Purchase orders; general plant orders.
8. Work orders.

II. PREPARATION OF REQUISITION DOCUMENTS.

A. Financial Requirement Statement (FI-121A).



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## 1. Principal points.

- a. Approved original and amended budget.
- b. Total advances to date.
- c. Balance available in budget.
- d. Advances now requested and approved.
- e. Heading, budget adjustment statement, certifications, and corporate seal.

## 2. Cautions.

- a. Establish tickler system to call attention of the manager to need for submitting requisition and expenditure report monthly.
- b. Be sure that the necessary prior approvals previously outlined have been obtained.
- c. Submit any special information which any REI division may require before funds can be made available.
- d. Become familiar with requirements concerning advances for labor-only contracts and force account work. Engineering Memoranda 170 and 172 and Finance Division Memorandum SL-17 are important in this respect.
- e. Keep work orders up to date and request funds under Budget Items 14 and 15 in amounts equal to specific inventories; cite such inventories on the requisition or in a transmittal letter.
- f. See that the Financial Requirement Statement is properly signed and that the corporate seal is affixed. Both these points are of vital importance.

B. Public Voucher For Payment Under Construction Loan Contract (FI-40).

## 1. Principal points.

- a. Name and address of borrower, loan contract number, and name and location of bank.
- b. Amount requested and signature of president or treasurer.

## 2. Cautions

- a. Perfect typing is required on figures; signature must be authorized and properly placed.
- b. See Finance Division Memo C-170 (copy attached) for more detailed information.







### III. DEPOSITING AND SPENDING LOAN FUNDS

- A. Depositories To Be Designated By Board And Approved by REA For All Funds Of The Cooperative, Page 4 of Finance Division Bulletin SL-23 Provides Information On This Point.
- B. Loan Funds To Be Expended Only For Approved Budget Purposes.
  - 1. Spend loan funds for overhead on any section only until a date 90 days after energization of that section.
  - 2. Spend from any budget purpose only for items under that particular purpose.
  - 3. Spend only to the amount of the budget for any purpose; make prior ~~arrangements~~ arrangements for increase of the budget.

### IV. PREPARATION OF DOCUMENTS TO ACCOUNT FOR EXPENDITURES.

#### A. Expenditure Report (FI-121B).

- 1. Principal points.
  - a. Total receipts approved by REA and total advances not accounted for.
  - b. Amounts of receipts being submitted for approval and expenditures for which receipts are still unreported.
  - c. Cash balance.
  - d. List of receipts submitted.
  - e. Check-book balance.
  - f. Heading and certificates.

#### B. Receipts.

- 1. Principal points.
  - a. Receipt to be signed in ink by payee, acknowledging payment.
  - b. Treasurer's certificates as to reason receipts cannot be obtained are acceptable in lieu of unobtainable receipts.
- 2. Cautions.
  - a. Expenditures should be accounted for by receipts within 30 days and must be so accounted for within 60 days. Further advances are dependent upon the current accounting for previous advances.







- b. Receipts must be complete, as shown in FI-120.
- c. Duplicates of receipts are not acceptable unless they bear a statement that the originals are not available, have not been submitted, and will not be submitted.

V. REQUISITIONING AND REPORTING PROCEDURES WITH REFERENCE TO  
INSTALLATION LOANS.

- A. General Instructions As Contained In Administrative  
Bulletin ADM-66, "Installation Loans Procedure."
- B. Monthly Installation Loan Report (AL-69).
- C. Public Voucher For Payment Under Installation Loan Contract  
(FI-9).

VI. PROSPECTIVE NEW REQUISITIONING AND REPORTING PROCEDURES.

- A. Revised Financial Requirement Statement.
- B. Revised Expenditure Report.
- C. Receipts No Longer To Be Sent To REA Under New Procedure  
When Placed In Operation.

Attachment











